

# NATURAL RESOURCES

## OVERVIEW

The Resources Agency is responsible for the state's policies, programs, and activities relating to the conservation, management, and enhancement of California's natural and cultural resources. The agency consists of the following 22 state departments, boards, commissions, and conservancies:

- Baldwin Hills Conservancy
- Coachella Valley Mountains Conservancy
- Coastal Commission
- Colorado River Board
- Conservation Corps
- Department of Boating and Waterways
- Department of Conservation
- Department of Fish and Game
- Department of Forestry and Fire Protection
- Department of Parks and Recreation
- Delta Protection Commission
- Department of Water Resources
- Energy Resources Conserv & Dev. Commission
- Native American Heritage Commission
- San Francisco Bay Conserv. & Dev. Commission
- San Gabriel Mountains/Lower Los Angeles River Conservancy
- San Joaquin River Conservancy
- Santa Monica Mountains Conservancy
- State Lands Commission
- Tahoe Conservancy
- Wildlife Conservation Board
- San Diego River Conservancy

The budget proposes a total of \$4.0 billion (\$698 million, General Fund) for all Resources Agency programs (not including capital outlay). This is a decrease of \$1.0 billion (20.2 percent) from the 2002-03 budget. Please note that these figures do not factor in general obligation bond debt financing when calculating total expenditures.

<b>All Resources Agency Budgets</b>				
<b>Summary of Expenditures</b>				
(dollars in thousands)	2002-03	2003-04	Change	
			Dollar	Percent
General Fund	818,801	698,009	-120,792	14.8
Special Funds	1,208,193	1,262,676	54,483	4.5
Selected Bond Funds	2,785,376	1,862,294	-923,082	33.1
Federal Funds	209,418	182,239	-27,179	13.0
<b>Total</b>	<b>5,021,788</b>	<b>4,005,218</b>	<b>-1,016,570</b>	<b>20.2</b>

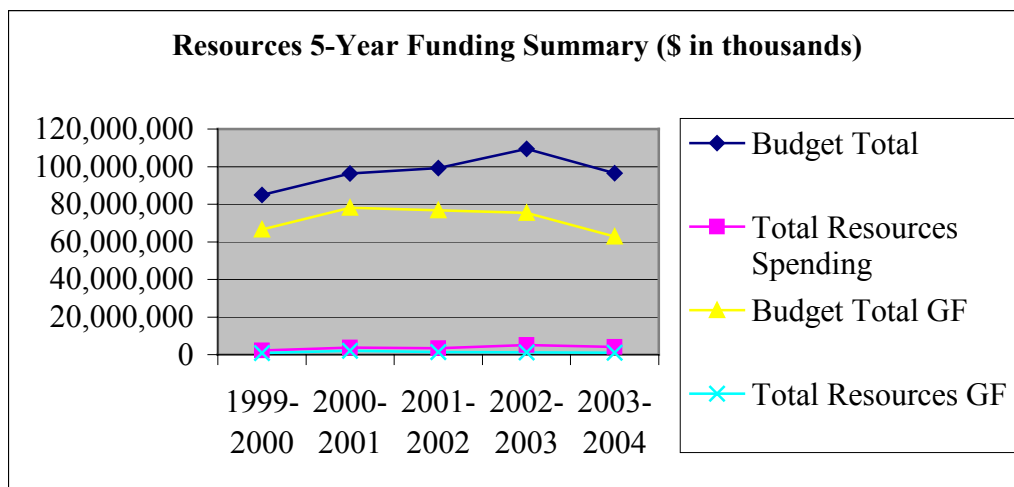
## Issues

### Funding for Natural Resources Programs

Resources will face a significant reduction in spending when looking at the Governor's proposed mid-year reductions, and the 2003-2004 budget proposals. Specifically, the total proposed reductions for all Resources Agency departments, boards, and commissions, are as follows:

<u>2002-2003 Mid-Year Reductions</u>		<u>2003-2004 Proposed Reductions</u>	
General Fund	\$143,622,000	General Fund	\$203,572,000
Special Funds	\$52,045	Special Funds	\$70,527

Compared to the reductions proposed in other areas of the budget, the dollar amounts associated with the natural resources section do not appear to be that drastic. However the Legislature has been forced to significantly reduce General Fund support for natural resource programs for three consecutive years. As we consider the 2003-2004 budget proposals, a question for the Legislature to consider is what effect these cuts will have had on natural resources programs.



### Key Points to Consider

- Total spending for natural resources has increased from \$2.2 billion in 1999-2000, to \$4.1 billion in 2003-2004
- As a percentage of the total state budget, natural resources spending has increased from 2.6 percent in 1999-2000 of the budget to 5.3 percent of the budget in 2003-2004.
- Total General Fund spending for natural resources has increased from \$926 million in 1999-2000, to \$958 million in 2003-04
- As a percentage of total General Fund spending, natural resources GF spending has decreased from 1.8 percent in 1999-2000, to 1.5 percent in 2003-2004.

The numbers over the five-year are somewhat misleading for a couple of reasons. First, total spending for natural resource increased over this five-year period due in large part to the passage of Propositions 12 (2000), 13 (2000), 40 (2002), and 50 (2002). In total, voters have approved over \$10 billion in natural resources bonds since the calendar year 2000. Subsequent to the passage of these bonds, the

Administration and the Legislature have adopted relatively aggressive expenditure schedules to allocate the bond funds.

Second, although total General Fund spending has slightly increase by \$32 million over the five-year period, the increase is attributable to one area. The Governor's budget summary includes debt service on general obligation bonds when factoring total General Fund spending. In the 99-00 fiscal-year, the debt service on natural resources bonds was \$199 million. In the 2003-2004 proposed budget, the debt service is estimated to be \$260 million. So if the debt service is not considered, total GF spending for natural resources has decreased by \$29 million.

Total General Fund spending for natural resources is proposed at \$698 million for the 2003-04 budget-year. Five years ago (1999-2000), the state spent \$726 million. Without factoring in for population growth, newly created programs, and inflation, the state spends less on natural resource programs.

When compared to spending five years ago, the perception of natural resources programs tends to center around land acquisitions and park openings, but vital programs have been established to protect and preserve the state's natural and cultural resources. Programs such as timber harvest plan review, enforcement, and regulating coastal development are all vital programs for the state. When compared to health care or public safety, natural resources may not warrant priority status, but determining how much of a priority resources programmatic funding should be an issue worth pursuing.

### ***Proposition 50 Bond Funds Proposed in the Budget***

The 2003-04 proposed budget utilizes approximately \$1.1 billion in Proposition 50 bond funds. Proposition 50, The Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 authorizes \$3.4 billion in general obligation bonds for various water projects and programs. Listed below is a brief summary of the bond elements, and the Governor's Proposition 50 proposals for the 2003-04 budget-year.

#### **Water Security**

**\$50,000,000**

Water security funds are discretionary to the extent that no water security program currently exists. The Legislature can appropriate these funds for projects that protect state, local, and regional drinking water systems from terrorist attack or deliberate acts of destruction or degradation.

The budget proposes \$15.1 million from the Water Security fund for 2003-2004.

#### **Safe Drinking Water**

**\$435,000,000**

Safe drinking water funds are available to the Department of Health Services for grants and loans for infrastructure improvements designed to meet safe drinking water standards. Examples of the types of projects and grants that are eligible for funding include the following:

- Grants to small community drinking water systems to upgrade monitoring, treatment, or distribution infrastructure.
- Grants for the development of new technologies and related facilities for water contaminant removal and treatment.
- Grants for community water quality monitoring facilities and equipment.
- Grants for drinking water source protection.
- Grants for treatment facilities necessary to meet safe drinking water standards.

To help address the water demand issues, 60 percent of these funds can also be used for grants to Southern California water agencies to assist in meeting the state's commitment to reduce Colorado River water use to 4.4 million acre feet per year.

The budget proposes \$102.1 million from the Safe Drinking Water fund for 2003-04.

### **Clean Water and Water Quality**

**\$370,000,000**

These funds are scheduled as follows:

- \$100 million to the Water Resources Control Board (SWRCB) for competitive grants for the following purposes:
  - (1) Water pollution prevention.
  - (2) Water reclamation.
  - (3) Water quality improvement.
  - (4) Water quality blending and exchange projects.
  - (5) Drinking water source protection projects.
  - (6) Projects to mitigate pathogen risk from recreational uses at drinking water storage facilities.
- \$100 million to the Resources Agency Secretary for River Parkways projects.
- \$40 million to the Tahoe Conservancy for land and water acquisition, development, and restoration to improve the water quality of Lake Tahoe.
- \$100 million to the Water Board for projects that restore and protect the water quality and environment of coastal waters, estuaries, bays and near-shore waters, and groundwater. Of these funds, a minimum of \$20 million is appropriated for projects in the Santa Monica Bay Restoration Plan.
- \$30 million to the Secretary for Resources for water quality and land acquisition projects in the Sierra Nevada-Cascade Mountain Region.

The budget proposes \$87.9 million from the Clean Water and Water Quality fund for 2003-04.

### **Contaminant and Salt Removal Technologies**

**\$100,000,000**

The funds in this account are available the Department of Water Resources (DWR) to award grants for desalination projects. To qualify for these funds, a grant recipient must satisfy a 50 percent match requirement of non-state source revenues for the project.

The budget proposes \$27.0 million from the Contaminant and Salt Removal Technologies fund in 2003-04.

### **CALFED Bay-Delta Program**

**\$825,000,000**

Proposition 50 supports the state's ongoing commitment to the CALFED Bay-Delta Program. Key components of the proposal include \$180 million for each of the following CALFED program elements: water supply reliability, ecosystem restoration, and water use efficiency.

The budget proposes \$306.6 million from the CALFED fund in 2003-04. Additionally, the 2002-03 current-year budget contains \$46.6 million of Prop 50 funds for CALFED.

### **Integrated Regional Water Management**

**\$640,000,000**

The allocation of Integrated Regional Water Management funds will likely require legislation to establish and implement this new program. As stated in the bond, the funds in this account are intended to protect communities from drought, protect and improve water quality, and improve local water security. Fifty percent (50%) of these funds are allocated to the SWRCB to select projects that meet certain requirements, including projects that are consistent with approved integrated water management plans, and projects that include local matching funds. Other restrictions on these funds include prohibiting projects that include an on-stream surface water storage facility, or an off-stream surface water storage facility other than percolation ponds for groundwater recharge in urban areas.

The budget proposes \$93.7 million from the Integrated Regional Water Management fund in 2003-04.

As part of this account, the Wildlife Conservation Board (WCB) will receive \$140 million for projects and grants that protect water quality and improve water supply reliability.

The budget proposes \$60.2 million to the WCB in 2003-04.

**Colorado River****\$70,000,000**

Twenty million (\$20,000,000) of these funds are available to DWR for canal lining and other projects designed to reduce the state's use Colorado River water. Fifty million (\$50,000,000) of the funds are available to the WCB for acquisition, protection, and restoration of land and water resources that help satisfy the states' limit on Colorado River water.

The budget proposes \$54 million from the Colorado River fund in 2003-04.

**Coastal Watershed and Wetland Protection****\$200,000,000**

The Coastal Watershed and Wetland Protection funds are available for grants and/or projects that protect coastal watersheds. The allocation of these funds are as follows:

- \$120,000,000 million to the State Coastal Conservancy
- \$20,000,000 million for the San Francisco Bay Conservancy Program
- \$40,000,000 million to the Santa Monica Mountains Conservancy, of which \$20,000,000 is for the protection of the Los Angeles River watershed (north of the City of Vernon), and \$20,000,000 million for the Santa Monica Bay and Ventura County coastal watersheds.
- \$20,000,000 million for the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy.

The budget proposes \$46.0 million from the Coastal Watershed and Wetland Protection fund for 2003-04.

**Wildlife Conservation Board****\$750,000,000**

Proposition 50 authorizes \$750 million, continuously appropriated, to the WCB for acquisition, protection, and restoration of coastal wetlands, upland areas adjacent to coastal wetlands, and coastal watershed lands. The bond specifies that \$300 million must be spent on projects within Los Angeles, Santa Barbara and Ventura Counties, and \$200 million must go to projects in the San Francisco bay area. The WCB can also acquire at least 100 acres of upland mesa areas adjacent to the state ecological reserve in the Bolsa Chica wetlands in Orange County.

The budget proposes \$272.0 million to the WCB in 2003-04. The Administration has also scheduled approximately \$170.7 million of the WCB fund in the 2002-03 fiscal-year.

***Selected Issues with Proposition 50 Proposed Expenditures***

Although the Governor's budget was released in early January, the committee recently received the Administration's Proposition 50 expenditure plan. To avoid doing a cursory review of the Governor's plan, the following issues have been identified for the subcommittee to consider. As the subcommittee begins its process to consider the Governor's proposed expenditures, additional issues will likely develop. The following issues are not intended to be exhaustive or final, but rather these issues may serve as a starting point as the subcommittee formulates its plans to allocate Proposition 50 bond funds.

1. **Various bond elements will require legislation to establish program requirements and coordination.** For example, the Water Security and Integrated Regional Water Management funds do not have existing or a comparable programs to administer the funds. Although the SWRCB will receive half of the Integrated Water Management funds, the broad project criteria for these funds highlight the need for enabling legislation to establish this program. Additional funds may also require legislation or trailer bill language, however these two programs are fairly discretionary and appear to have the greatest need for program definition.
2. **River Parkway Program Continues to Receive Significant Amount of Bond Funds.** In Propositions 12, 13 and 40, the past three natural resources bonds, river parkway funds were available for urban creek protection, restoration, and enhancement, and for acquisition and restoration of riparian habitat, riverine aquatic habitat, and other lands in close proximity to rivers and streams and for river and stream trail projects. The language in Proposition 50 does not provide any further direction or guidance on the use of these funds.  
  
Since 2000 and the aforementioned Propositions (12, 14, and 40), and including funds in Proposition 50, river parkways have received over \$300 million. The issue for the Legislature to consider is whether it is desirable to spend these funds through project lists that are proposed by the Administration and without much legislative input. Or, should the Legislature assert more control over this program and establish a more comprehensive program with a long-term approach to improving river parkways.
3. **Coordination is Needed for Watershed and Coastal Protection Programs.** In total Proposition 50 contains approximately \$900 million for coastal protection programs, however most of these funds are spread across the Resources Agency and CalEPA. Both agencies and their respective departments, boards, commissions, etc, contribute a specific working knowledge and experience of how to maximize coastal protection programs. To ensure that the state is utilizing the valuable resources of these agencies, and to avoid duplicative work and/or redundancy, the subcommittee should consider establishing a structure to coordinate the use of coastal protection bond funds.

## 0540 Secretary for Resources

The Secretary for Resources has administrative responsibility for the 21 state departments, boards, commissions, and conservancies within the Resources Agency. The budget proposes total expenditures of \$54.3 million (\$1.3 million, General Fund), a decrease of \$386.2 million from the current-year budget. This decrease is attributable to a reduction in the Bay-Delta Ecosystem Restoration Account. Funds in this account are now administered by the CALFED Bay-Delta Authority.

### **Highlights**

The Secretary for Resources budget contains the following key items:

- \$25 million from Proposition 50 for the River Parkways Program. Proposition 50 authorizes a total of \$100 million for the program.
- \$7 million from Proposition 50 for Sierra Nevada-Cascade Mountain grants. Proposition 50 authorizes a total of \$30 million in grants for acquisitions for land and water resources in the Sierra Nevada-Cascade Mountain region.

- \$12.7 million from Proposition 40 for the River Parkways and Urban Streams Restoration Programs.

### 3340 California Conservation Corps

Fund Source (dollars in thousands)	2002-03	2003-04	Change	
			Dollars	Percent
General Fund	\$45,688	\$36,815	(\$8,873)	-19.4
Safe Neighborhood Parks, Clean Water, Clean Air & Coastal Protection Bond Fd	3,525	3,525	0	0.0
CA Environmental License Plate Fund	317	308	(9)	-2.8
Public Resources Account, Cigarette and Tobacco Products Surtax Fund	277	285	8	2.9
Collins-Dugan California Conservation Corps Reimbursement Account	33,949	27,320	(6,629)	-19.5
Federal Trust Fund	495	503	8	1.6
California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	4,071	5,224	1,153	28.3
Total	\$88,322	\$73,980	(\$14,342)	-16.2

### Issue

#### Corps Member Health Benefits

The Governor proposes to reduce the Conservation Corps' General Fund budget by \$8.9 million (19.4 percent) for the 2003-2004 budget-year. As stated in the department's mission statement, corps members provide numerous services that protect and enhance the state's natural resources, environment, and residential communities. More importantly, the Corps provides valuable job training and education to young men women who live in disadvantaged communities.

Since the 2001-02 fiscal-year, the corps General Fund budget has been reduced by \$23.4 million; additionally the corps overall budget has been reduced by \$11.4 million during the same time period. As part of the proposed 25 percent General Fund reduction for the 2003-04 budget-year, the Governor proposes the following:

- Eliminate health benefits to corps members: \$2.3 million
- Lay off field administrative staff: \$3.2 million
- Reduce operating expenses: \$3.3 million
- Close two fire centers: \$1.9 million

- Eliminate local corps contracts: \$846,000

Although the dollar amount associated with these reductions may not appear to be significant, the proposal to eliminate corps member health benefits is not worth the limited General Fund savings. As the subcommittee considers the corps budget, staff will recommend denying the elimination of health benefits for corps members.

## 3480 Department of Conservation

The Department of Conservation (DOC) protects public health and safety, ensures environmental quality, and supports the state's long-term viability in the use of California's earth resources. The Department performs numerous functions relating to agricultural and open space lands and soils; beverage container recycling; geology and seismology; and mineral, geothermal, and petroleum resources.

The budget proposes total expenditures of \$541.1 million (\$5.4 million, General Fund), a decrease of \$13.6 million (2.5 percent) from the current-year budget.

Fund Source (dollars in thousands)	2002-03	2003-04	Change	
			Dollars	Percent
General Fund	\$21,435	\$5,396	(\$16,039)	-74.8
Safe Neighborhood Parks, Clean Water, Clean Air & Coastal Protection Bond Fd	21,862	473	(21,389)	-97.8
Surface Mining and Reclamation Account	1,938	841	(1,097)	-56.6
State Highway Account, State Transportation Fund	12	12	0	0.0
California Beverage Container Recycling Fund	408,847	416,672	7,825	1.9
California Environmental License Plate Fd	0	0	0	0.0
Soil Conservation Fund	1,298	1,308	10	0.8
Glass Processing Fee Account, California Beverage Container Recycling Fund	37,529	38,398	869	2.3
Hazardous and Idle-Deserted Well Abatement Fund	100	100	0	0.0
Bi-Metal Processing Fee Account, California Beverage Container Recycling Fund	16	16	0	0.0
PET Processing Fee Account, California Beverage Container Recycling Fund	44,689	44,784	95	0.2
Mine Reclamation Account	1,498	1,313	(185)	-12.3
Seismic Hazards Identification Fund	1,913	3,206	1,293	67.6
Strong-Motion Instrumentation Special Fund	3,271	4,450	1,179	36.0



Federal Trust Fund	1,665	1,685	20	1.2
Bosco-Keene Renewable Resources	0	680	680	100.0
Investment Fund				
Reimbursements	8,238	8,476	238	2.9
Oil, Gas, and Geothermal	0	12,884	12,884	100.0
Administrative Fund				
Agriculture and Open Space Mapping	450	444	(6)	-1.3
Subaccount				
Total	\$554,761	\$541,138	(\$13,623)	-2.5

### Highlights

The Governor proposes the following:

- \$965,000 augmentation for increased enforcement and fraud prevention in the Beverage Container Recycling Program. This proposal will add one staff member to the seven-member Los Angeles fraud investigative, as well as create an additional eight-member team.
- \$80 million loan from the Beverage Container Recycling Fund (BCRF) to the General Fund. The BCRF is estimated to have a \$522,000 fund balance in the 2003-2004 budget-year.
- \$3.7 million General Fund reduction. The proposed reduction will effect the following programs:
  - Eliminate North Coast Watershed Assessment (\$1.8 million)
  - Reduce Regional Geological Hazards Mapping (\$693,000)
  - Reduce Geological Publications Unit (\$600,000)
  - Reduce Mineral and Hazardous Mineral Classification Program (\$425,000)
  - Eliminate grants to Resource Conservation Districts (\$120,000)
  - Reduce out-of-state travel (\$55,000)

## 3540 Department of Forestry and Fire Protection

The Department of Forestry and Fire Protection (CDF), under the policy direction of the Board of Forestry, provides fire protection services for timberlands, rangelands, and brushlands. The Department regulates timber harvesting on state or privately owned forestland and also provides a variety of resource management services for owners of forestlands, rangelands, and brushlands.

The Office of the State Fire Marshall is responsible for protecting life and property from fire through the development and application of fire prevention engineering, enforcement, and education regulations. The State Fire Marshall also trains and certifies fire service personnel throughout the state.

The budget proposes total expenditures of \$603.7 million (\$413.3 million, General Fund) a decrease of \$52.6 million (8.0 percent) from the current-year budget.

Fund Source (dollars in thousands)	2002-03	2003-04	Change	
			Dollars	Percent
General Fund	\$482,306	\$413,298	(\$69,008)	-14.3
Safe Neighborhood Parks, Clean Water, Clean Air & Coastal Protection Bond Fd	0	0	0	0.0
State emergency Telephone Number Account	1,505	1,406	(99)	-6.6
Unified Program Account	0	2,568	2,568	0.0
State Fire Marshal Licensing and Certification Fund	310	301	(9)	-2.9
California Fire and Arson Training Fund	1,891	1,810	(81)	-4.3
California Hazardous Liquid Pipeline Safety Fund	469	618	149	31.8
California Environmental License Plate Fd	1,581	1,564	(17)	-1.1
California Hazardous Liquid Pipeline Safety Fund	2,240	2,211	(29)	-1.3
Public Resources Account, Cigarette and Tobacco Products Surtax Fund	389	384	(5)	-1.3
Professional Forester Registration Fund	190	188	(2)	-1.1
Federal Trust Fund	20,122	22,508	2,386	11.9
Forest Resources Improvement Fund	0	11,514	11,514	0.0
Timber Tax Fund	28	28	0	0.0
Reimbursements	144,205	144,038	(167)	-0.1
California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	1,000	1,000	0	0.0
Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002	0	240	240	0.0
<b>Total</b>	<b>\$656,236</b>	<b>\$603,676</b>	<b>(\$52,560)</b>	<b>-8.0</b>

### Highlights

The Governor proposes the following items for the department:

- \$2.25 million (Federal Funds) expenditure authority for the Joint Agency Climate Team (JACT). The JACT is multi agency program that will develop a climate change strategy for the state. Through this budget proposal, the department will focus on the following initiatives:

*Support research and development in renewable technologies*

*Support research in carbon sequestration*

*Enhance the state's capacity to project future climates, assess impacts, and evaluate solutions*

- \$3.5 million reduction to the Forest Resources Improvement Fund (FRIF) due to a revenue reduction on forest products from the State Forest System. The proposal calls for the elimination of FRIF funding for the North Coast Watershed Assessment program.

### 3600 Department of Fish and Game

The Department of Fish and Game (DFG) administers programs and enforces laws pertaining to the fish and wildlife resources of the state. The Fish and Game Commission sets policies to guide the department in its activities and regulates the sport taking of fish and game. The DFG currently manages approximately 160 ecological reserves, wildlife management areas, habitat conservation areas, and interior and coastal wetlands throughout the state.

The budget proposes total expenditures of \$275.8 million (\$41.2 million General Fund), an increase of \$4.5 million (1.7 percent) from the current-year budget. The proposed spending increase is attributable to Federal Trust Fund and reimbursement authority increases.

Fund Source (dollars in thousands)	2002-03	2003-04	Change	
			Dollars	Percent
General Fund	\$48,651	\$41,167	(\$7,484)	-15.4
Safe Neighborhood Parks, Clean Water, Clean Air & Coastal Protection Bond Fd	1,022	701	(321)	-31.4
California Environmental License Plate Fd	19,538	17,796	(1,742)	-8.9
Fish and Game Preservation Fund	94,598	90,896	(3,702)	-3.9
Fish and Wildlife Pollution account	2,371	2,392	21	0.9
California Waterfowl Habitat Preservation Account, Fish and Game Preservation Fun	207	207	0	0.0
Exotic Species Control Fund	871	877	6	0.7
Public Resources Account, Cigarette and Tobacco Products Surtax Fund	0	0	0	0.0
Oil Spill Prevention and Administration Fund	17,125	20,261	3,136	18.3
Oil Spill Response Trust Fund	0	0	0	0.0
Environmental Enhancement Fund	104	1,001	897	862.5
The Salmon and Steelhead Trout Restoration Account	0	0	0	0.0
Central Valley Project Improvement Subaccount	53	53	0	0.0
Harbor and Watercraft Revolving Fund	5	5	0	0.0
Upper Newport Bay Ecological Reserve Maintenance and Preservation Fund	(200)	(200)	0	0.0
Marine Life and Marine Reserve Management Account	0	0	0	0.0
Federal Trust Fund	50,209	62,059	11,850	23.6
Reimbursements	24,416	28,535	4,119	16.9
Coastal Watershed Salmon Habitat Subaccount	4,303	0	(4,303)	-100.0
California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Fund	8,000	8,000	0	0.0
Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of	0	2,030	2,030	0.0

2002

Total	\$271,273	\$275,780	\$4,507	1.7
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### **Issues**

The Department proposes a General Fund reduction of \$11.6 million, which consists of the following items:

- A total reduction of 50 positions and \$4.5 million (\$1.64 million in 2002-03, and \$2.9 million in 2003-04) for enforcement. As part of the first extraordinary session, the Senate approved the department's proposal to reduce funding for vacant enforcement positions in the current fiscal-year (\$1.64 million), however the Senate submitted a letter to the journal stating intent to maintain the positions through the fiscal-year. The issues and concerns surrounding enforcement have been a priority for the Subcommittee over the past 3 years.

Fish and Game Wardens perform numerous functions for the department, including the protection of California's public trust resources. Enforcement at the department has been historically been understaffed and underfunded. The Legislature approved \$31.6 million and 200 positions in the 2000-01 Budget Act to address chronic underfunding of enforcement, monitoring, environmental review, maintenance, and administration at the department. Eliminating these positions would hinder any progress made by Department to increase enforcement activities, and would undermine the Legislature's intent to increase funding for enforcement.

- \$1.9 million reduction for Wildlife Area and Ecological Reserve Operations.
- \$1.6 million reduction to eliminate/reduce funding for fish hatcheries.
- \$1.2 million to eliminate funding for the Urban Fishing Program.
- \$900,000 (thousand) to eliminate funding for the North Coast Watershed Assessment program.

## **3640 Wildlife Conservation Board**

The Wildlife Conservation Board (WCB), established within the Department of Fish and Game (DFG), administers a capital outlay program for wildlife conservation and related public access. The board acquires property to protect and preserve wildlife and provides fishing, hunting, and recreational access facilities. The board is composed of the directors from the Department of Fish and Game, the Department of Finance, and the Chairman of the Fish and Game Commission. In addition, three members of the Senate and three members of the Assembly serve in an advisory capacity to the board.

The budget proposes total expenditures of \$417.7 million (\$22.1 million, General Fund), a decrease of \$274.3 million (85.4 percent) from the current-year budget. The decrease in spending is primarily associated with the capital outlay program. The board proposes a reduction of \$276.8 million in capital outlay expenditures, and a reduction of bond funds from Proposition 40 (\$283 million), and Proposition 12 (\$153.8 million).



Fund Source (dollars in thousands)	2002-03	2003-04	Change	
			Dollars	Percent
<i>State Operations &amp; Local Assistance</i>				
General Fund	\$319	\$321	\$2	0.6
Safe Neighborhood Parks, Clean Air, Clean Water, and Coastal Protection Bond Fund	\$388	\$0	(388)	-100.0
Environmental License Plate Fund	\$254	\$215		0.0
Habitat Conservation Fund	\$274	\$381	107	39.1
Wildlife Restoration Fund	\$826	\$882	56	6.8
California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	420	421	1	0.2
Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002	858	3,664	2,806	327.0
Reimbursements	0	0	0	0.0
Subtotal	\$3,339	\$5,884	2,545	76.2
<i>Capital Outlay</i>				
General Fund	\$21,301	\$21,736	435	2.0
Safe Neighborhood Parks, Clean Air, Clean Water, and Coastal Protection Bond Fund	\$153,822	\$0	(153,822)	-100.0
Habitat Conservation Fund	35,804	20,620	(15,184)	-42.4
<i>Less Funding provided by General Fund</i>	(21,301)	(21,736)	(435)	0.0
Inland Wetlands Conservation Fund	350	1,750	1,400	400.0
Natural Resources Infrastructure Fund	0	0	0	0.0
Wildlife Restoration Fund	500	500	0	0.0
Harbors and Watercraft Revolving Fund	0	0	0	0.0
Reimbursements	12,953	4,000	(8,953)	-69.1
River Protection Subaccount	5,762	0	(5,762)	-100.0
California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	299,500	16,500	(283,000)	-94.5
Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002	180,000	363,500	183,500	101.9
Oak Woodlands Conservation Fund	0	5,000	5,000	0.0
Subtotal	\$688,691	\$411,870	(276,821)	-40.2
Total	\$692,030	\$417,754	(\$274,276)	-39.6

### Highlights

The board proposes the following items:

- \$32.5 million from Proposition 50 for the Colorado River acquisition, protection, and restoration program.
- \$24 million from Proposition 40 for Rangeland, Grazing Land & Grassland Protection, and Oak Woodlands protection program.
- \$3.7 million and 9 positions to administer Proposition 50 bond funds.

### **3760 State Coastal Conservancy**

The conservancy is authorized to acquire land, undertake projects, and award grants for the purposes of (1) preserving agricultural land and significant coastal resources, (2) consolidating subdivided land, (3) restoring wetlands, marshes, and other natural resources, (4) developing a system of public accessways, and (5) improving coastal urban land uses. The conservancy's jurisdiction covers the entire coastal zone including San Francisco Bay and the Suisun Marsh. The conservancy governing board consists of the Chairperson of the Coastal Commission, the Secretary for Resources, the Director of Finance, and four public members. The conservancy office is located in Oakland.

The budget proposes total expenditures of \$78.3 million (\$0, General Fund), a decrease of \$337.9 million (81.2 percent) from the current-year budget. The decrease in spending is primarily associated with the Capital Outlay program, and a reduction of bond funds from Proposition 12 (\$157.6 million) and from Proposition 40 (\$174.4 million).

Fund Source (dollars in thousands)	2002-03	2003-04	Change	
			Dollars	Percent
<i>State Operations and Local Assistance</i>				
General Fund	\$1,250	\$0	(\$1,250)	-100.0
Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund	1,572	1,291	(281)	-17.9
State Coastal Conservancy Fund	4,068	4,209	141	3.5
Federal Trust Funds	116	117	1	0.9
Reimbursements	111	111	0	0.0
California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	740	742	2	0.3
Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002	0	550	550	0.0
Subtotal	7,857	7,020	(837)	-10.7
<i>Capital Outlay</i>				
General Fund	764	0	(764)	-100.0
Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund	157,642	0	(157,642)	-100.0
Public Resources Account, Cigarette and Tobacco Products Surtax	0	0	0	0.0
Habitat Conservation Fund	7,689	4,000	(3,689)	-48.0
San Francisco Bay Conservancy Program Account	0	0		
California Beach and Coastal Enhancement Account	609	0		
State Coastal Conservancy Fund	3,712	0	(3,712)	-100.0
Coastal Access Account	1,046	0		
Fish and Wildlife Habitat Enhancement Fund	801	0		
California Wildlife, Coastal and Park, Land Conservation Fund of 1988	2,627	0	(2,627)	-100.0
Federal Trust Funds	3,537	2,000	(1,537)	-43.5
Renewable Resources Investment Fund	0	0	0	0.0
Reimbursements	11,783	1,800	(9,983)	-84.7
River Protection Subaccount	11,795	0	(11,795)	-100.0
California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	206,400	32,000		
Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002	0	31,500		
Subtotal	408,405	71,300	(337,105)	-82.5



Total	\$416,262	\$78,320	(\$337,942)	-81.2
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### **Highlights**

The SCC proposes the following items:

- \$550,000 (thousand) and 6 positions to administer Proposition 50 bond funds.
- \$22 million from Proposition 40 for various acquisition and restoration programs.
- \$6 million from Proposition 40 for the San Francisco Bay Conservancy Program.
- \$4 million from Proposition 40 for coastal watershed protection.

## **3790 Department of Parks and Recreation**

The Department of Parks and Recreation (DPR) acquires, develops, preserves, interprets, and manages the natural, cultural, and recreational resources in the state park system and in the State Vehicular Recreation Area and Trail System (SVRATS). In addition, the department administers state and federal grants to cities, counties, and special districts that help provide parks and open-space areas throughout the state. The state park system consists of 273 units, 31 of which are administered by local and regional park agencies. The system contains approximately 1.4 million acres of land, with 285 miles of coastline and 822 miles of lake, reservoir, and river frontage.

The budget proposes total expenditures of \$912.0 million, (\$97.9 million, General Fund), a decrease of \$91.7 million (9.1 percent) from the current-year budget.

Fund Source (dollars in thousands)	2002-03	2003-04	Change	
			Dollars	Percent
<i>State Operations:</i>				
General Fund	\$128,758	\$89,915	(\$38,843)	-30.2
Safe Neighborhood Parks, Clean Water, Clean Air & Coastal Protection Bond Fd	22,780	23,516	(10,822)	-47.5
California Environmental License Plate Fd	115	124	12,173	10585.2
Public Resources Account, Cigarette & Tobacco Products Surtax Fund	13,311	11,747	265,247	1992.7
Habitat Conservation Fund	61	0	(61)	-100.0
Off-Highway Vehicle Trust Fund	26,637	28,373	(26,637)	-100.0
Natural Resources Infrastructure Fund	0	0	7,956	0.0
State Parks and Recreation Fund	76,975	96,747	(76,975)	-100.0
Winter Recreation Fund	287	289	2,313	805.9
Harbors and Watercraft Revolving Fund	638	663	16,362	2564.6
State Parks System Deferred Maintenance Account	0	0	0	0.0
Recreational Trails Fund	25	0	(25)	-100.0
Federal Trust Fund	2,948	2,938	1,052	35.7
Reimbursements	11,958	11,958	8,042	67.3
California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	15,066	12,288		0.0
Total, State Operations	\$299,559	\$278,558	(\$21,001)	-7.0
<i>Local Assistance::</i>				
General Fund	\$3,090	\$7,956	\$4,866	157.5
Safe Neighborhood Parks, Clean Water, Clean Air & Coastal Protection Bond Fd	299,315	0	(299,315)	-100.0
Habitat Conservation Fund	2,055	2,600	545	26.5
Off-Highway Vehicle Trust Fund	27,894	17,000	(10,894)	-39.1
Natural Resources Infrastructure Fund	0	0	0	0.0
California Wildlife, Coastal and Park Land Conservation Fund of 1988	8	0	(8)	-100.0
Recreational Trails Fund	9,807	4,000	(5,807)	-59.2
Federal Trust Fund	26,529	20,000	(6,529)	-24.6
Reimbursements	0	0	0	0.0
River Protection Subaccount	1,500	0	(1,500)	-100.0
California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	333,930	581,883	247,953	74.3
Total, Local Assistance	\$704,128	\$633,439	(\$70,689)	-10.0

Total	\$1,003,687	\$911,997	(\$91,690)	-9.1
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### 3860 Department of Water Resources

The Department of Water Resources (DWR) is responsible for developing and managing California's water through the implementation of the State Water Resources Development System, including the State Water Project. The Department also maintains the public safety and prevents damage through flood control operations, supervision of dams, and safe drinking water projects.

The budget proposes total expenditures of \$6.1 billion (\$39 million, General Fund), an increase of \$324.5 million (5.7 percent) from the current-year budget. The increase in spending is attributable to the allocation of Proposition 50 bond funds to the department (\$300.1 million).

Fund Source (dollars in thousands)	2002-03	2003-04	Change	
			Dollars	Percent
General Fund	\$68,435	\$38,994	(\$29,441)	-43.0
Colorado River Management Account	18,000	39,000	21,000	116.7
California Environmental License Plate Fd	378	218	(160)	-42.3
Environmental Water Fund	6,683	0	(6,683)	-100.0
Central Valley Project Improvement Subaccount	1,568	1,568	0	0.0
Delta Levee Rehabilitation Subaccount	1,780	694	(1,086)	-61.0
Feasibility Projects Subaccount	1,445	1,446	1	0.1
Water Conservation and Groundwater Recharge Subaccount	123	123	0	0.0
Energy Resources Programs Account	1,739	1,657	(82)	-4.7
Water Project Funds	249,554	240,167	(9,387)	-3.8
Loan Repayments	(1,530)	(1,530)	0	0.0
Local Projects Subaccount	3,524	99	(3,425)	-97.2
Sacramento Valley Water Management and Habitat Protection Subaccount	16,569	2,624	(13,945)	-84.2
California Safe Drinking Water Fund	4,785	4,785	0	0.0
1984 State Clean Water Bond Fund	570	570	0	0.0
Loan Repayments	-325	(325)	0	0.0
1986 Water Conservation and Water Quality Bond Fund	5,064	5,064	0	0.0
Loan Repayments	-2,158	(2,158)	0	0.0
1988 Water Conservation Fund	9,017	9,017	0	0.0
Federal Trust Fund	60,211	11,223	(48,988)	-81.4
Bosco-Keene Renewable Resources Investment Fund	797	652	(145)	-18.2
Reimbursements	59,692	21,389	(38,303)	-64.2
Department of Water Resources Electric Power Fund	4,968,644	5,311,825	343,181	6.9
Flood Protection Corridor Subaccount	27,432	8,257	(19,175)	-69.9
Urban Stream Restoration Subaccount	10,172	674	(9,498)	-93.4
Yuba Feather Flood Protection Subaccount	5,456	3,957	(1,499)	-27.5
River Protection Subaccount	163	163	0	0.0

Water Conservation Account	51,675	30,425	(21,250)	-41.1
Conjunctive Use Subaccount	80,460	1,260	(79,200)	-98.4
Bay Delta Multipurpose Water Management Subaccount	29,574	23,722	(5,852)	-19.8
Interim Water Supply and Water Quality Infrastructure and Management Subaccount	9,050	422	(8,628)	-95.3
Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002	43,000	300,104	257,104	597.9
<b>Total</b>	<b>\$5,731,547</b>	<b>\$6,056,086</b>	<b>\$324,539</b>	<b>5.7</b>

### 3870 CALFED Bay-Delta Authority

The California Bay-Delta Authority, established by legislation enacted in 2002, provides a permanent governance structure for the collaborative state-federal effort that began in 1994. The Authority is composed of representatives from six state agencies and six federal agencies, five public members from the Program's five regions, two at-large public members, a representative from the Bay-Delta Public Advisory Committee, and four ex officio members, namely the chairs and vice-chairs of the Senate and Assembly water committees.

Prior to creation of the Authority, the Program functioned as a consortium of state and federal agencies, each operating under its independent statutory authority to implement various elements of the Bay-Delta Plan, set forth in the CALFED Bay-Delta program Record of Decision signed in August 2000. Under the Authority, the agencies have a more formalized role in advancing the goals of the Program. The Authority was established by enactment of Senate Bill 1653 (Costa) of 2002. The legislation calls for the Authority to sunset on January 1, 2006, unless federal legislation has been enacted authorizing the participation of appropriate federal agencies in the Authority.

The budget proposes \$216.4 million (\$12.6 million, General Fund) in total expenditures. Overall, the budget proposes \$582.1 million in total funding for the CALFED Bay-Delta program.

Fund Source (dollars in thousands)	2002-03	2003-04	Change	
			Dollars	Percent
General Fund	\$0	\$12,590	\$12,590	0.0
Bay-Delta Ecosystem Restoration Account	\$5,074	48,531	43,457	856.5
Federal Trust Fund	0	29,352	29,352	0.0
Reimbursements	0	16,495	16,495	0.0
Water Security, Clean Drinking Water, Coastal and Beach Protection Fund	0	109,426	109,426	0.0
<b>Total</b>	<b>\$5,074</b>	<b>\$216,394</b>	<b>\$211,320</b>	<b>4164.8</b>